

# UTILITY PATENT APPLICATION TRANSMITTAL (Large Entity)

(Only for new nonprovisional applications under 37 CFR 1.53(b))

Docket No.  
YOR9-2000-0165

Total Pages in this Submission

## TO THE ASSISTANT COMMISSIONER FOR PATENTS

Box Patent Application  
Washington, D.C. 20231

Transmitted herewith for filing under 35 U.S.C. 111(a) and 37 C.F.R. 1.53(b) is a new utility patent application for an invention entitled:

**METHOD AND SYSTEM FOR PRODUCING WISE CARDS**

and invented by:

**Marco Martens and Charles Philippe Tresser**

JC806 U.S. PTO  
09/685026  
10/10/00

If a CONTINUATION APPLICATION, check appropriate box and supply the requisite information:

☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No.: \_\_\_\_\_

Which is a:

☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No.: \_\_\_\_\_

Which is a:

☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No.: \_\_\_\_\_

Enclosed are:

### Application Elements

1. ☒ Filing fee as calculated and transmitted as described below
2. ☒ Specification having 23 pages and including the following:
  - a. ☒ Descriptive Title of the Invention
  - b. ☐ Cross References to Related Applications (if applicable)
  - c. ☐ Statement Regarding Federally-sponsored Research/Development (if applicable)
  - d. ☐ Reference to Microfiche Appendix (if applicable)
  - e. ☒ Background of the Invention
  - f. ☒ Brief Summary of the Invention
  - g. ☒ Brief Description of the Drawings (if drawings filed)
  - h. ☒ Detailed Description
  - i. ☒ Claim(s) as Classified Below
  - j. ☒ Abstract of the Disclosure

**UTILITY PATENT APPLICATION TRANSMITTAL**  
**(Large Entity)**

*(Only for new nonprovisional applications under 37 CFR 1.53(b))*

Docket No.  
YOR9-2000-0165

Total Pages in this Submission

**Application Elements (Continued)**

3. ☒ Drawing(s) *(when necessary as prescribed by 35 USC 113)*
- a. ☐ Formal Number of Sheets \_\_\_\_\_
- b. ☒ Informal Number of Sheets 3 (Figs. 1-4)
4. ☒ Oath or Declaration
- a. ☒ Newly executed *(original or copy)* ☐ Unexecuted
- b. ☐ Copy from a prior application (37 CFR 1.63(d)) *(for continuation/divisional application only)*
- c. ☒ With Power of Attorney ☐ Without Power of Attorney
- d. ☐ DELETION OF INVENTOR(S)  
Signed statement attached deleting inventor(s) named in the prior application,  
see 37 C.F.R. 1.63(d)(2) and 1.33(b).
5. ☐ Incorporation By Reference *(usable if Box 4b is checked)*  
The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied  
under Box 4b, is considered as being part of the disclosure of the accompanying application and is hereby  
incorporated by reference therein.
6. ☐ Computer Program in Microfiche *(Appendix)*
7. ☐ Nucleotide and/or Amino Acid Sequence Submission *(if applicable, all must be included)*
- a. ☐ Paper Copy
- b. ☐ Computer Readable Copy *(identical to computer copy)*
- c. ☐ Statement Verifying Identical Paper and Computer Readable Copy

**Accompanying Application Parts**

8. ☒ Assignment Papers *(cover sheet & document(s))*
9. ☐ 37 CFR 3.73(B) Statement *(when there is an assignee)*
10. ☐ English Translation Document *(if applicable)*
11. ☐ Information Disclosure Statement/PTO-1449 ☐ Copies of IDS Citations
12. ☐ Preliminary Amendment
13. ☒ Acknowledgment postcard
14. ☐ Certificate of Mailing
- ☐ First Class ☐ Express Mail *(Specify Label No.):* \_\_\_\_\_

**UTILITY PATENT APPLICATION TRANSMITTAL**  
**(Large Entity)**

*(Only for new nonprovisional applications under 37 CFR 1.53(b))*

Docket No.  
**YOR9-2000-0165**

Total Pages in this Submission

**Accompanying Application Parts (Continued)**

15. ☐ Certified Copy of Priority Document(s) *(if foreign priority is claimed)*

16. ☐ Additional Enclosures *(please identify below):*

**Request That Application Not Be Published Pursuant To 35 U.S.C. 122(b)(2)**

17. ☐ Pursuant to 35 U.S.C. 122(b)(2), Applicant hereby requests that this patent application not be published pursuant to 35 U.S.C. 122(b)(1). Applicant hereby certifies that the invention disclosed in this application has not and will not be the subject of an application filed in another country, or under a multilateral international agreement, that requires publication of applications 18 months after filing of the application.

**Warning**

***An applicant who makes a request not to publish, but who subsequently files in a foreign country or under a multilateral international agreement specified in 35 U.S.C. 122(b)(2)(B)(i), must notify the Director of such filing not later than 45 days after the date of the filing of such foreign or international application. A failure of the applicant to provide such notice within the prescribed period shall result in the application being regarded as abandoned, unless it is shown to the satisfaction of the Director that the delay in submitting the notice was unintentional.***

**UTILITY PATENT APPLICATION TRANSMITTAL**  
**(Large Entity)**

(Only for new nonprovisional applications under 37 CFR 1.53(b))

Docket No.  
**YOR9-2000-0165**

Total Pages in this Submission

**Fee Calculation and Transmittal**

**CLAIMS AS FILED**

For	#Filed	#Allowed	#Extra	Rate	Fee
Total Claims	27	- 20 =	7	x \$18.00	\$126.00
Indep. Claims	4	- 3 =	1	x \$80.00	\$80.00
Multiple Dependent Claims (check if applicable) <input type="checkbox"/>					\$0.00
BASIC FEE					\$710.00
OTHER FEE (specify purpose) _____					\$0.00
TOTAL FILING FEE					\$916.00

- ☐ A check in the amount of \_\_\_\_\_ to cover the filing fee is enclosed.
- ☒ The Commissioner is hereby authorized to charge and credit Deposit Account No. **50-0510** as described below. A duplicate copy of this sheet is enclosed.
- ☒ Charge the amount of **\$916.00** as filing fee.
- ☒ Credit any overpayment.
- ☒ Charge any additional filing fees required under 37 C.F.R. 1.16 and 1.17.
- ☐ Charge the issue fee set in 37 C.F.R. 1.18 at the mailing of the Notice of Allowance, pursuant to 37 C.F.R. 1.311(b).

  
Signature

Dated: **October 10, 2000**

**Sean M. McGinn, Esq.**  
**Reg. No.: 34,386**  
**Customer No.: 21254**

cc:

**MCGINN & GIBB, P.C.**  
**A PROFESSIONAL LIMITED LIABILITY COMPANY**  
**PATENTS, TRADEMARKS, COPYRIGHTS, AND INTELLECTUAL PROPERTY LAW**  
**1701 CLARENDON BOULEVARD, SUITE 100**  
**ARLINGTON, VIRGINIA 22209**  
**TELEPHONE (703) 294-6699**  
**FACSIMILE (703) 294-6696**

**APPLICATION  
FOR  
UNITED STATES  
LETTERS PATENT**

**APPLICANT:** Marco Martens and Charles Philippe Tresser

**FOR:** METHOD AND SYSTEM FOR  
PRODUCING WISE CARDS

**DOCKET NO.:** YOR9-2000-0165

# METHOD AND SYSTEM FOR PRODUCING WISE CARDS

## BACKGROUND OF THE INVENTION

### *Field of the Invention*

The present invention generally relates to producing hard-to-imitate "smart cards" (e.g., so-called "wise cards"), and to producing smart cards whose clones would be of limited value, as would be tampering with the card.

### *Description of the Related Art*

Smart cards have been proposed as a technology offering the possibility of secure off-line transactions. However, recently, several successful attacks on conventional smart cards have been reported (e.g., see R. Anderson, M. Kuhn; "Tamper Resistance --- A Cautionary Note." The Second USENIX Workshop on Electronic Commerce. November 1996, R. Anderson, M. Kuhn; "Low Cost Attacks on Tamper Resistant Devices." Preprint. 1997, and P. Kocher, J. Jaffe and B. Jun; "Introduction to Differential Power Analysis and Related Attacks" Manuscript, Cryptography Research, Inc. 1998.).

One such reported attack allows cracking of the digital code which is supposed to

warranty the security of the card, by inferring conclusions of the code from observations of electrical currents, power consumption, and other electromagnetic manifestations in the card during use. Other low-cost attacks are similarly known on current smart card technology.

This has generated much publicity and some skepticism on the part of users. For example, the attack mounted by Paul Kocher of Cryptography Research was made very well-known to the public by the publication of a paper by Peter Wayner on this attack on pages D1-D2 of the New York Times of Monday, June 22, 1998.

Given the benefits that banks, credit card companies, and other users were expecting from a wide acceptance of the security offered by smart cards, it is important to be able to overcome the lack of security (both real and perceived) offered by present smart card technology.

Indeed, several improvements of the original design have been proposed (and this process may continue in the future). However, since the above-described, successfully mounted attack only needs some of the electrical analysis and possibly the physical attacks one could perform on smart cards, the desired level of confidence is not likely to be restored so long as solutions only advance the original (and conventional) idea of enclosing all of the security in the card.

It is noted that by using, for example, some zero-knowledge protocol, a smart card can be authenticated but, reputedly, cannot be duplicated. A general reference to smart card technology and applications can be found in "Smart Cards: A Guide to Building and Managing Smart Card Applications," by Henry Dreifus and J. Thomas Monk, John Wiley & Sons, 1998. It is noted, that, in the rest of the present disclosure, any electronic component using such technology and which has some memories and/or some processing capabilities, will be called "a smart

component” or “a chip” or “a smart card”, even if it does not actually take any form resembling a card.

One of the main virtues attributed to smart cards is that some transactions based on smart cards, such as payments and authentication, can be performed using the smart card, without  
5 connection to a database. Of course, this freedom from a link to a database only has value as long as the secrets in the card resist attacks. One can try to modify the smart card technology so as to reach a level of security considered sufficient. Such an approach is taken for example in U.S. Patent Application No. 09/397,503 entitled “METHOD AND APPARATUS FOR PRODUCING  
10 DUPLICATION- AND IMITATION-RESISTANT IDENTIFYING MARKS ON OBJECTS, AND DUPLICATION- AND IMITATION-RESISTANT OBJECTS” by N. Amer et al, assigned to the present assignee and incorporated herein by reference. That approach requires a smart card reader with quite different characteristics than those of present smart card readers.

Another approach, used in the present invention, sacrifices part of the full off-line usability of smart cards to insure accrued security.

15 Thus, improvements in the security of smart cards are surely useful, but some radically new approaches must be used. One approach may include ensuring the physical security of the card, but this might not be enough to prevent producing huge amounts of false smart cards once one of them has been successfully attacked.

Hence, in conventional cards, counterfeiting/duplication is not rendered difficult since  
20 confidential information is carried on the card and an unscrupulous person may find the information simply by looking at/reading the energy construction inside of the card. That is, with

a plurality of readings of the card, the information held within the card can be easily detected.

However, no conventional method (and system) has addressed such problems.

## SUMMARY OF THE INVENTION

In view of the foregoing and other problems of the conventional methods and systems, an  
5 object of the present invention is to provide a method (and system) in which counterfeiting and  
cloning of smart cards is made more difficult and/or less profitable.

In a first aspect of the present invention, a method (and system) is provided which is  
based on cryptography with the cryptographic structure/key not being carried on the smart card.

More specifically, the smart-card-type of security, often all carried on the card itself, is  
10 complemented in the present invention by extra protection depending on cryptography, with the  
cryptographic structure (e.g., a key) not being carried by the card and which cannot be accessed  
completely by a predetermined small number of readings, and in fact the cryptographic structure  
can only be built by whoever emits the card or the agent thereof.

This principle prevents the creating of false cards different from the legitimate ones, but  
15 does not prevent the fabrication of as many clones one wishes of a given legitimate smart card.  
Thus, the invention also provides a mechanism of protection designed to prevent and/or  
discourage both copying and creation of new cards.

Thus, the present invention provides a new implementation of *smart cards* and provides  
the readers which can be used in combination with such smart cards. These cards necessitate

more connections to a data base than typical, conventional smart cards, but far less than credit cards.

Such smart cards are particularly well-adapted to use in electronic business (e.g., “e-business”) since online transactions are taking place anyhow. Further, such smart cards are designed so that an evil merchant cannot acquire the information needed to fabricate clones of the card from a reading (nor from a few readings) of the smart card. Moreover, a counterfeiter can only get limited benefit from tampering with the card, and cannot imitate a legitimate card to create different ones, while cloning has limited value as online controls are performed on occasion.

The card (or other carrier of the overall system, but herein the word *card* will be used for definiteness) will carry some chosen type of chip. In that chip, there will be determined  $N$  channels (e.g.,  $C_1, C_2, \dots, C_N$ , where  $N$  is for example on the order of 100 (but will be easier to augment as technology progresses)).

Each channel  $C_i$ , with  $i$  in  $1, 2, \dots, N$ , carries a pair of numbers  $(h_i, l_i)$  (e.g., for definiteness,  $h_i$  is the  $i^{\text{th}}$  *high number* and  $l_i$  is the  $i^{\text{th}}$  *low number*). Both low and high numbers are about 1024 bits long (and more as technology progresses, as would be evident to one of ordinary skill in the art; that is, more bits provide greater security). More specifically, this number of bits corresponds to secure use of the Rivest-Shamir-Adleman (RSA) protocol at the time of writing. Other methods also can be used such as elliptic curve-sallow for secure use of smaller numbers of bits (e.g., see "Handbook of Applied Cryptography", by Alfred J. Menezes, Paul C. van Oorschot and Scott A. Vanstone, CRC Press, 1997).

Public key cryptography with associated distinct encoding and decoding functions  $V_i$  and  $V_i^{-1}$  are used in each channel  $i$ . As is well known (e.g., see "Handbook of Applied Cryptography", by Alfred J. Menezes, Paul C. van Oorschot and Scott A. Vanstone, CRC Press, 1997), each function  $V_i^{-1}$  is known publicly, but  $V_i$  is known only to some party called *the owner* and is secret in the sense that it is considered computationally infeasible to determine it from  $V_i^{-1}$ .

For each  $i$  in  $1, 2, \dots, N$ , the pair  $(h_i, l_i)$  is such that  $h_i = V_i(l_i)$ , or  $h_i = V_i(K(l_i))$  where  $K$  represents some publicly-known cryptographic hash function, as described, for example, in the aforementioned book by Menezes et al. Each  $l_i$  contains several symbols for redundancy, which may for example carry a specific mark of whoever emits the cards. Furthermore, an invertible function  $f$  is chosen and made public, and the low numbers in a card satisfy  $l(i+j) = f^j(l_i)$ , where  $f^j$  stands for the  $j^{\text{th}}$  iterate of the function  $f$ .

The reader is preferably equipped with a random number generator, which, when a card is read, chooses a pair  $(a, b)$  of distinct numbers with  $a < b$  between 1 and  $N$ . Before processing the chip as usual, the reader obtains the pair  $(h_a, l_a)$  as well as  $h_b$  (e.g., since  $a$  and  $b$  are known by the reader as well as the function  $f$ , the reader can compute  $l_b$  from  $a, b$ , and  $l_a$  by computing  $l_b = f^{(b-a)}(l_a)$ ). Using the public keys  $V_a^{-1}$  and  $V_b^{-1}$ , the reader can check whether the pairs  $(h_a, l_a)$  and  $(h_b, l_b)$  are compatible, and, consequently, that the numbers  $h_a, l_a$ , and  $h_b$  belong to the same legitimate card.

Since the reader only obtains the content of two channels, an evil merchant cannot build a believably true counterfeited card by combining this information with the secrets which might

have been obtained about the chip using a smart card attack as described previously.

The entire process can be performed off-line as it is based on public key cryptography. The only danger is the card which has been cloned or re-provisioned with money fraudulently by someone having discovered the intrinsic secret of the chip.

5 To combat this danger, periodically (e.g., daily, weekly, randomly, etc. depending upon the designer's constraints and requirements), the smart card reader preferably communicates with a data base where the amount extracted from a given card is checked. If a card is detected as delivering too much money (e.g., more than would be reasonably authorized), the data base communicates the corresponding I1 to all readers in the network, which may be worldwide, so  
10 that the cards carrying that number will be declined in the future.

Thus, far less dependence on the network is required according to the present invention, than what is necessary to process credit cards. That is, credit card processing requires an on-line processing in which the customer presents the card to the merchant and the merchant passes the card through a reader and connects to the bank or other issuing authority for authorization to  
15 complete the transaction.

Thus, credit card processing is significantly more burdensome than the processing of the present invention. In some applications, one may change the cryptographic structure/keys every so often and invalidate cards after some time of usage so that limited data bases must be kept in all readers of the network.

20 Clearly, the marginal cost per transaction is much lower for banks using the present invention than for credit cards. Further, while the price is higher than for original format smart

cards (e.g., for purposes of the present application, "original format smart cards" are defined as conventional smart cards having the confidential information/secrets on the card), the level of security is much higher, and the huge danger of having all the secrets in the card has been avoided. This new format of card is particularly well adapted for e-commerce, since the liability of having to be on line is cost-free as all operations are performed on-line anyhow.

In the context of electronic commerce, the advantage of the present invention over credit cards is the higher level of both security for both parties of the transaction and the privacy of the customer. Finally, as alluded to above, the transactions are performed essentially and substantially off-line.

## BRIEF DESCRIPTION OF THE DRAWINGS

The foregoing and other objects, aspects and advantages will be better understood from the following detailed description of a preferred embodiment of the invention with reference to the drawings, in which:

Figure 1 is a flow diagram describing how to generate the pairs (hi, li) according to the present invention;

Figure 2A is a flow diagram showing the process of verifying that a card is authentic, or at worst an exact clone of an authentic card, and checking if the card is not in the list of cards to be refused;

Figure 2B is a flowchart showing the steps corresponding to the flow of Figure 2A;

Figure 3 illustrates an exemplary information handling/computer system for use with the present invention; and

Figure 4 illustrates a storage medium 400 for storing steps of the program for the process of verifying according to the present invention.

## **DETAILED DESCRIPTION OF A PREFERRED EMBODIMENT OF THE INVENTION**

Referring now to the drawings, and more particularly to Figures 1-4, a preferred embodiment of the present invention will be described below.

Figure 1 illustrates a flow diagram of a process of building the pairs (hi,li) to be written in the chip. A prefix 101 of l1 can be chosen once and for all, or changed whenever needed. This prefix must be publicly known, and serves to prevent forming apparently legitimate pairs by use of the public part of the encryption method.

The prefix 101 is followed by a relatively long sequence 102, which may be generated by any method chosen by the card emitter, so that the same number is not chosen twice, and also so that the corresponding other li's are not chosen as new l1s. Preferably, the sequence 102 is preferably 1024 bits or more. With the more bits provided, the more security is provided. If the

card is accessed and read frequently (e.g., several times per minute, etc.), more bits would be preferred, whereas if the card was designed to be accessed only infrequently, then less bits would be required for desired security.

The concatenation on 101 and 102 forms 11 at 103. Then, a function  $f$  which is invertible and will be publicly known is chosen, and one constructs  
5 12 =  $f(11)$  at 104, 13 =  $f(12)$  at 105, and so forth. The function  $f$ , for example, can be chosen to be the identity map, in which case 11 = 12 = 13 = ...etc.

For some number  $N$ , typically of the order of 100 or more,  $N$  public key-private key pairs are chosen. It is noted that, the more pairs there are, the greater the security. As mentioned  
10 above, if the card is used frequently, then more key pairs would be desired. The first private key  $V_1$  at 113 is used to compute  $h_1 = V_1(11)$  at 123, the second private key  $V_2$  at 114 is used to compute  $h_2 = V_2(12)$  at 124, and so on.

Referring now to Figure 2, a flow diagram is shown of the process of verifying that a card is authentic (or at worst an exact clone of an authentic card before the intrinsic mechanism of the  
15 chip is used), and checking if the card is not in the list of cards to be refused.

When the card 201 is read by the reader 202, a random generator 203 is prompted which gives at 204 two integer numbers  $a$  and  $b$  which are between 1 and  $N$ , with  $a < b$ .

These numbers  $a, b$  are transmitted to the chip at 210 which delivers two high numbers at 205 and 207, and the low number at 206 in the channel  $a$ .

20 Then, the pair  $(a, b)$ , together with the function  $f$  at 210 in memory 1, at 209 in the reader, are used to compute the low number  $l_b = f^{(b-a)}(l_a)$  at 208. Memory 2 at 220 in the reader 202

delivers the public keys  $Va^{-1}$  at 221 and  $Vb^{-1}$  at 222.

These public keys are used at comparator 230, together with the pairs (ha, la) and (hb, lb), to verify that the pairs are compatible with the corresponding keys, and that the pairs are from the same legitimate card. At this point, it is known by the operation at the comparator 230 whether the card is legitimate, whether the card is a clone, and/or whether the card is up to an overdraft limit, for example, by a counterfeiter able to manipulate the chip. To limit this danger, a final validation is made by a validation step/device 240 after performing any or all of:

1) contacting the central data base 250 if the entire transaction is made on-line with no penalty (e.g., in e-business transactions, for public telephone systems, etc.); and/or

2) checking with the local data base 260 in the reader 202 which is refreshed periodically, depending on the application, by contact between local database 260 and central database 250 which may occur at other times than the transaction.

While the overall methodology of the invention is described above, the invention can be embodied in any number of different types of systems and executed in any number of different ways, as would be known by one ordinarily skilled in the art.

For example, as illustrated in Figure 3, a typical hardware configuration of an information handling/computer system for use with the invention is shown. In accordance with the invention, preferably the system has at least one processor or central processing unit (CPU) 311 and more preferably several CPUs 311. The CPUs 311 are interconnected via a system bus 312 to a random access memory (RAM) 314, read-only memory (ROM) 316, input/output (I/O) adapter 318 (for connecting peripheral devices such as disk units 321 and tape drives 340 to the bus 312),

user interface adapter 322 (for connecting a keyboard 324, an input device such as a mouse, trackball, joystick, touch screen, etc. 326, speaker 328, microphone 332, and/or other user interface device to the bus 312), communication adapter 334 (for connecting the information handling system to a data processing network such as an intranet, the Internet (World-Wide-Web) etc.), and display adapter 336 (for connecting the bus 312 to a display device 338). The display device could be a cathode ray tube (CRT), liquid crystal display (LCD), etc., as well as a hard-copy printer (e.g., such as digital printer). Further, a reader 342 is coupled to the CPU 311 via bus 312.

In addition to the hardware/software environment described above, a different aspect of the invention includes a computer-implemented method for verifying a smart card and preventing/discouraging counterfeiting and tampering thereof. As an example, this method may be implemented in the particular environment discussed above.

Such a method may be implemented, for example, by operating a computer, as embodied by a digital data processing apparatus, to execute a sequence of machine-readable instructions. These instructions may reside in various types of signal-bearing media.

Thus, as shown in Figure 4, in addition to the hardware and process environment described above, a different aspect of the invention includes a computer-implemented method for verifying that a smart card is authentic (or at least a clone of a legitimate card), and checking whether the card is in the list of cards to be refused for processing, as described above. As an example, this method may be implemented in the particular hardware environment discussed above.

Such a method may be implemented, for example, by operating the CPU 311 (Figure 3), to execute a sequence of machine-readable instructions. These instructions may reside in various types of signal-bearing media.

Thus, this aspect of the present invention is directed to a programmed product,  
5 comprising signal-bearing media tangibly embodying a program of machine-readable instructions executable by a digital data processor incorporating the CPU 311 and hardware above, to perform the above method.

This signal-bearing media may include, for example, a RAM (not shown in Figure 4) contained within the CPU 311 or auxiliary thereto as in RAM 314, as represented by a fast-  
10 access storage for example. Alternatively, the instructions may be contained in another signal-bearing media, such as a magnetic data storage diskette 400 (e.g., as shown in Figure 4), directly or indirectly accessible by the CPU 311.

Whether contained in the diskette 400, the computer/CPU 311, or elsewhere, the instructions may be stored on a variety of machine-readable data storage media, such as DASD  
15 storage (e.g., a conventional "hard drive" or a RAID array), magnetic tape, electronic read-only memory (e.g., ROM, EPROM, or EEPROM), an optical storage device (e.g. CD-ROM, WORM, DVD, digital optical tape, etc.), paper "punch" cards, or other suitable signal-bearing media including transmission media such as digital and analog and communication links and wireless. In an illustrative embodiment of the invention, the machine-readable instructions may comprise  
20 software object code, compiled from a language such as "C", etc.

Thus, with the unique and unobvious aspects of the present invention, a method (and

system) are provided in which counterfeiting and cloning of smart cards is made more difficult and/or less profitable. The method is based on cryptography with the cryptographic structure/key not carried on the smart card. Instead, the present invention provides extra protection depending on cryptography, with the key not carried by the card, and is kept secret by whoever emits the card or the agent thereof. Thus, the creating of false cards different from the legitimate ones, is prevented.

Further, to prevent the fabrication of as many clones one wishes of a given legitimate smart card, the invention provides a mechanism of protection designed to prevent and/or discourage both copying and creation of new cards.

Thus, the present invention provides a new implementation of *smart cards* and provides smart card readers which can be used in combination with such smart cards. In each reading, the reader simply reads, in a very random way, a very small portion of the secure information on the card. Hence, many readings of the card would be required in order to detect the energy thereon, and it is anticipated that after such a large plurality of readings the value of the card (e.g., the money value held thereon, etc.) would be exhausted. These cards necessitate more connections to a data base than typical, conventional smart cards, but far less than credit cards.

Further, the smart cards do not carry confidential information thereon and the smart cards are difficult to duplicate/counterfeit. Indeed, there is no key at all held in the card. The card merely holds two related words (e.g., a pair including the suffix and the sequence) as a secret. Instead, the reader holds the key (e.g., the public key) therein along with a database which, as mentioned above, is updated periodically. The database holds information representing

disallowed/refused cards possible representing that the cards have been stolen, voluntarily discontinued by the legitimate owner, etc.

Another key advantage of the invention is that the reading/transaction process is performed substantially off-line. The reader is on-line merely when it is linked to a network or the like for updating the contents of the database with the list of unauthorized cards, etc.

While the invention has been described in terms of a single preferred embodiment, those skilled in the art will recognize that the invention can be practiced with modification within the spirit and scope of the appended claims.

## CLAIMS

Having thus described our invention, what we claim as new and desire to secure by Letters Patent is as follows:

1. A method of preventing counterfeiting of a smart card, comprising:

5 providing a smart card with a cryptographic structure for authorizing the smart card which cannot be accessed completely by a predetermined small number of readings, wherein said cryptographic structure can be built only by whoever emits the card or an agent thereof.

2. The method of claim 1, further comprising:

10 providing a reader for reading said smart card and including a database holding information related to unauthorized smart cards, said reader being on-line, such that said reader is operatively connected to a network, only when said database of said reader is being updated by said network.

3. The method of claim 1, wherein an entire process of said method is performable off-line.

4. The method of claim 1, wherein said smart card carries thereon predetermined N channels as C1, C2,..., CN, where N is an integer,

wherein each channel Ci, with i equal to 1, 2, ..., N, carries a pair of numbers (hi, li), and

wherein hi is the  $i^{\text{th}}$  *high number* and li is the  $i^{\text{th}}$  *low number*.

5 5. The method of claim 4, further comprising:

using public key cryptography with associated encoding and decoding functions Vi and Vi<sup>-1</sup> in each channel i,

wherein each function Vi<sup>-1</sup> is known publicly, and Vi is known only to a predetermined party representing an owner of the smart card.

10 6. The method of claim 5, wherein for each i in 1, 2, ..., N, the pair (hi, li) is such that hi = Vi(li), or hi = Vi(K(li)), where K represents a publicly-known cryptographic hash function, and

wherein each li contains a plurality of symbols for redundancy.

7. The method of claim 6, further comprising:

processing, using an invertible function f which is made public, such that the low

15 numbers in said smart card satisfy  $l(i+j) = f^j(li)$ , where  $f^j$  represents the  $j^{\text{th}}$  iteration of the function f.

8. The method of claim 6, wherein said reader includes a random number generator, which,

when a card is read, chooses a pair (a, b) of distinct numbers with  $a < b$  between 1 and N,

wherein before processing the smart card, the reader obtains the pair (ha, la) and hb;

using the public keys  $Va^{-1}$  and  $Vb^{-1}$ , checking by the reader whether the pairs (ha, la)

and (hb, lb) are compatible, and, consequently, that the numbers ha, la, and hb belong to a same

5 legitimate card.

9. The method of claim 4, wherein a reader obtains a content of only two of said channels.

10. The method of claim 1, further comprising:

periodically communicating, by a reader of said smart card, with a data base where a  
predetermined characteristic of the card is checked.

10 11. The method of claim 10, wherein the predetermined characteristic comprises whether a  
smart card has delivered more than a predetermined amount of money to a user of the smart card.

12. The method of claim 11, wherein if a card is detected as delivering too much money, the  
data base communicates a corresponding number 11 to all readers in a network, so that smart  
cards carrying said corresponding number are declined.

15 13. The method of claim 1, wherein said cryptographic structure is changed periodically.

14. The method of claim 1, wherein said smart card is invalidated after a predetermined time of usage.

15. The method of claim 8, wherein said pairs ( $h_i$ ,  $l_i$ ) to be contained on the smart card are generated by:

5           choosing a prefix of  $l_1$  once for all transactions, or changed whenever needed, wherein said prefix is publicly known; and

          providing a sequence, such that the sequence is generated so that a same number is not chosen twice, and so that corresponding other  $l_i$ 's are not chosen as new  $l_1$ s.

16. The method of claim 15, further comprising:

10           concatenating the prefix and the sequence to form  $l_1$ ; and

          choosing a function  $f$  which is invertible and is publicly known, to construct  $l_2 = f(l_1)$ ,  $l_3 = f(l_2)$ , and so forth.

17. The method of claim 16, wherein the function  $f$  is chosen to be the identity map, in which case  $l_1 = l_2 = l_3 = \dots = l_N$ .

15           18. The method of claim 17, choosing, for a number  $N$ ,  $N$  public key-private key pairs, such that a first private key  $V_1$  is for computing  $h_1 = V_1(l_1)$ , a second private key  $V_2$  is for computing  $h_2 = V_2(l_2)$ , and so on.

19. The method of claim 18, further comprising:

verifying whether the smart card is authentic; and

checking whether the smart card is not in a list of cards to be refused.

20. The method of claim 1, wherein, when the smart card is read by a reader, a random generator  
5 is prompted which provides two integer numbers, a and b, which are not between 1 and N, with a  
< b.

21. The method of claim 20, wherein said numbers a, b are transmitted to the smart card which  
delivers two high numbers ha, hb, and a low number la in a channel a, and

10 wherein the pair (a, b), together with a function f in a memory in the reader, are used to  
compute the low number lb =  $f^{(b-a)}(la)$ , said memory in said reader delivering public keys  $Va^{-1}$   
and  $Vb^{-1}$ .

22. The method of claim 21, wherein the public keys are used by a comparator together with the  
pairs (ha, la) and (hb, lb), to verify that the pairs are compatible with the corresponding keys, and  
that the pairs are from a same legitimate card.

15 23. The method of claim 1, further comprising:

performing a final validation of the smart card by at least one of:

contacting a central data base if an entire transaction is made on-line with no

penalty; and

checking with a local data base in a reader, said local database being refreshed periodically by contact between said local database and said central database.

24. A method of preventing counterfeiting of a smart card, comprising:

5 providing a smart card such that none of confidential information and a cryptographic key for authorizing the smart card, is carried on the smart card;

reading said card by a reader such that in each reading, said reader reads only a predetermined small amount of information which makes the card unique.

25. The method of claim 24, wherein a transaction performed under said method comprises substantially an off-line transaction.

26. A system for preventing cloning of a smart card, comprising:

a smart card such that a cryptographic structure for authorizing the smart card is not carried on the smart card; and

15 a reader for reading the smart card and including a database for linking to a network and being updated periodically with a list of unauthorized smart cards,

wherein said cryptographic structure is kept secret by whoever emits the card or an agent thereof.

27. A signal-bearing medium tangibly embodying a program of machine-readable instructions executable by a digital processing apparatus to perform a method for preventing counterfeiting and cloning of smart cards, comprising:

providing a smart card with a cryptographic structure for authorizing the smart card

5 which cannot be accessed completely by a predetermined number of readings,

wherein said cryptographic structure can be built only by whoever emits the card or an agent thereof.

# METHOD AND SYSTEM FOR PRODUCING WISE CARDS

## ABSTRACT OF THE DISCLOSURE

A method (and system) for preventing counterfeiting and cloning of smart cards, includes providing a smart card with a cryptographic structure for authorizing the smart card which can not be accessed completely by a predetermined small number of readings. The cryptographic structure can be built only by whoever emits the card or an agent thereof.

5

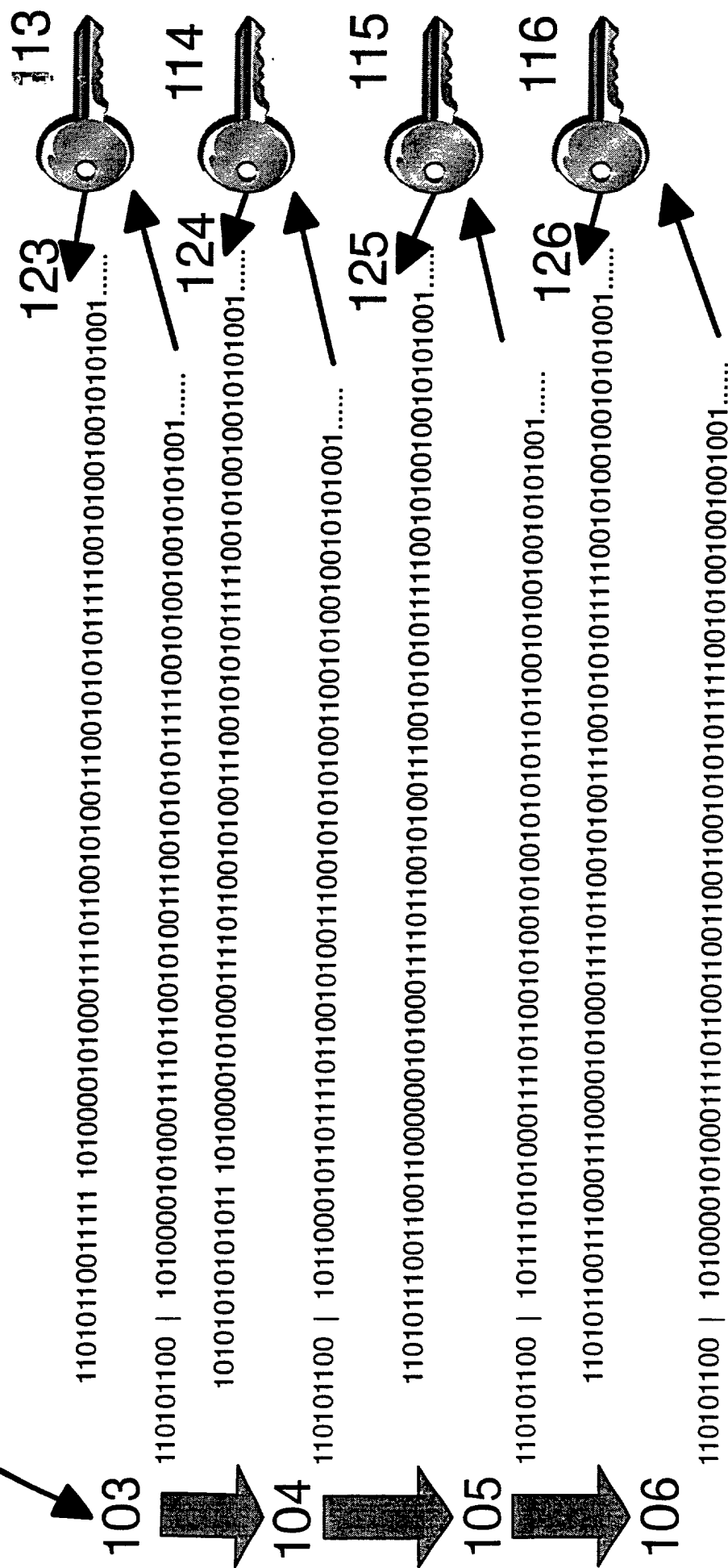
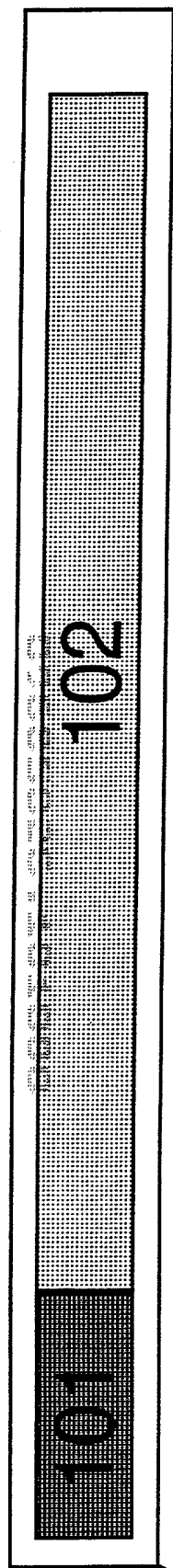


Figure 1

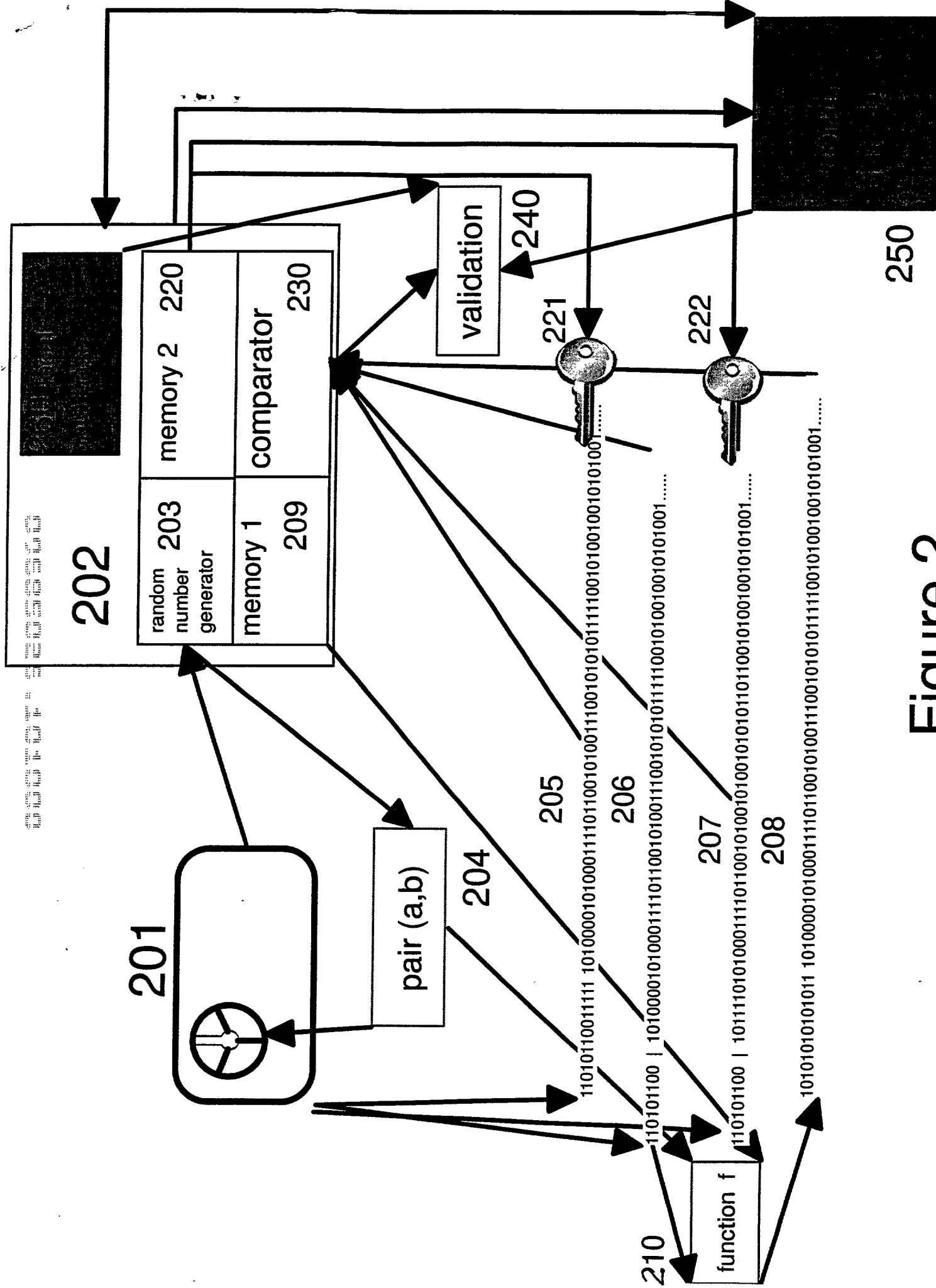


Figure 2

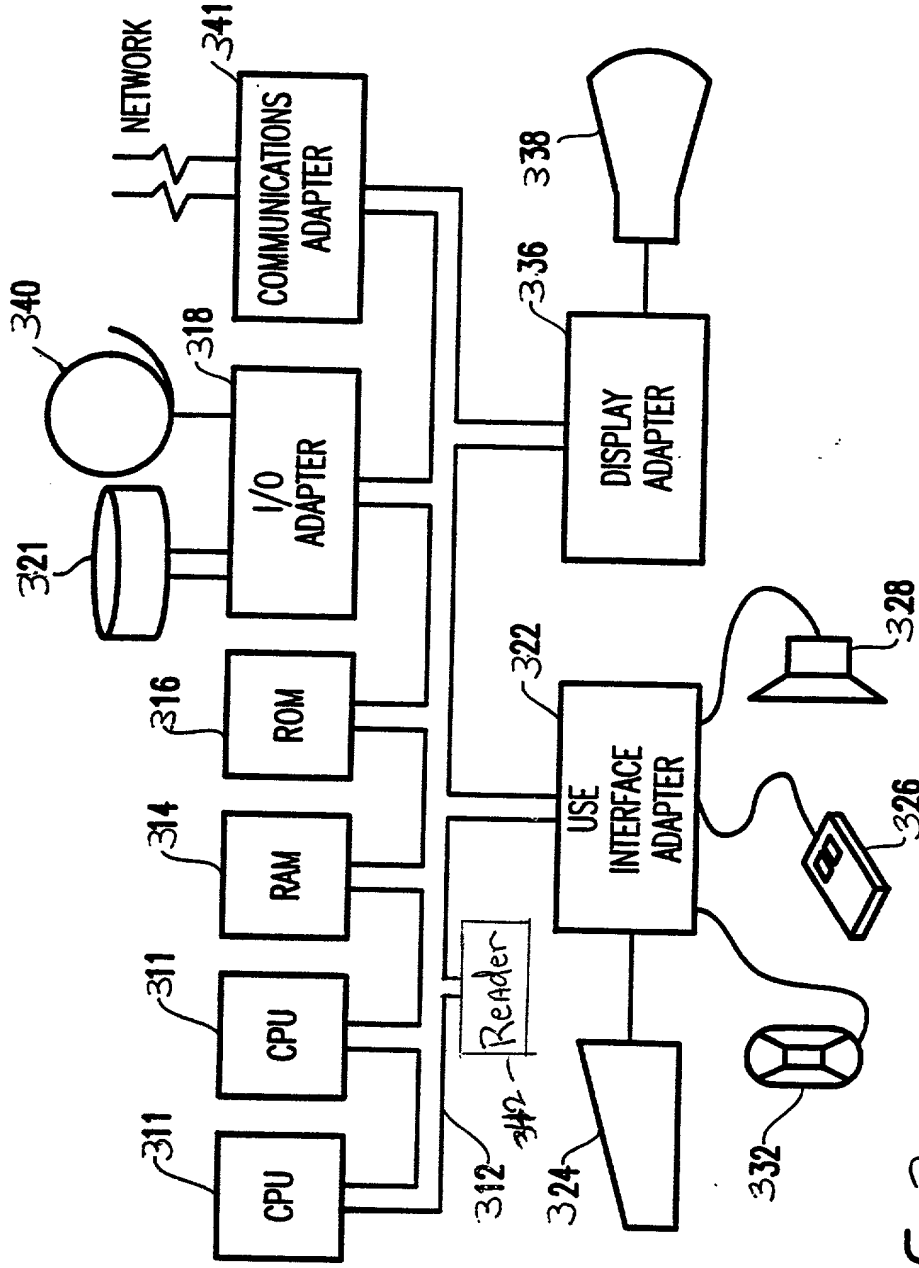


FIG. 3

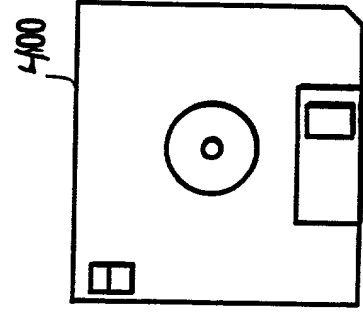


FIG. 4

## DECLARATION AND POWER OF ATTORNEY

As a below named inventor, I hereby declare that:

My residence, post office address and citizenship are as stated below next to my name; I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled: METHOD AND SYSTEM FOR PRODUCING WISE CARDS

the specification of which:  
(check one)

☒ is attached hereto.

☐ was filed on \_\_\_\_\_, as Application Serial No. \_\_\_\_\_ and was amended on \_\_\_\_\_.

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose information which is material to the patentability of this application in accordance with Title 37, Code of Federal Regulations, § 1.56.

I hereby claim foreign priority benefits under Title 35, United States Code, § 119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

**Prior Foreign Application(s):**

Number	Country	Day/Month/Year	Priority Claimed
--------	---------	----------------	------------------

I hereby claim the benefit under Title 35, United States Code, § 120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, § 112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, § 1.56 which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

**Prior U.S. Applications:**

Serial No.	Filing Date	Status
------------	-------------	--------

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

As a named inventor, I hereby appoint the following attorneys and/or agents to prosecute this application and transact all business in the Patent and Trademark Office connected therewith: We hereby appoint Manny Schecter, Registration No. 31,722, Christopher A. Hughes, Registration No. 26,914, Edward A. Pennington, Registration No. 32,588, John E. Hoel, Registration No. 26,279, Joseph C. Redmond, Jr., Registration No. 18,753, Douglas W. Cameron, Registration No. 31,596, Wayne L. Ellenbogen, Registration No. 43,602, Louis P. Herzberg, Registration No. 41,500, Stephen C. Kaufman, Registration No. 29,551, Daniel P. Morris, Registration No. 32,053, Louis J. Percello, Registration No. 33,206, David M. Shofi, Registration No. 39,835, Paul J. Otterstedt, Registration No. 37,411, Robert M. Trepp, Registration No. 25,933, Lauren Bruzzzone, Registration No. 35,082, and Marian Underweiser, Registration No. 46,134 to prosecute this application and transact all business in the United States Patent and Trademark Office connected therewith.

Send all correspondence to: McGinn & Gibb, P.C., 1701 Clarendon Boulevard, Suite 100, Arlington, Virginia 22209. Customer No. 21254

Telephone calls should be directed to Sean M. McGinn, McGinn & Gibb, P.C. at (703) 294-6699.

(1) Inventor: Marco Martens

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Residence: 104 South Bedford Road, Chappaqua, NY 10514

Citizenship: Netherlands

Post Office Address: Same as Above

(2) Inventor: Charles Philippe Tresser

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Residence: 953 West Boston Post Road, Mamaroneck, New York 10543

Citizenship: France

Post Office Address: Same as Above